

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

Magnesium International Limited

ABN

23 003 669 163

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|--|
| 1 | +Class of +securities issued or to be issued | Ordinary Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | Maximum number of fully paid ordinary shares which may issued: 33,783,475

Maximum number of primary options which may be issued: 16,891,737 |

<p>3 Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)</p>	<p>This Appendix 3B is in relation to the Entitlements Issue as detailed in the Prospectus of the Company dated 30 May 2007. Refer to the separate Appendix 3B forms dated 30 May 2007 in relation to:</p> <p>(a) the Top Up Issue; and (b) the Placement.</p> <p>Fully paid ordinary shares with one primary option for nil cash consideration for every 2 shares issued and allotted.</p> <p>Each primary option has an exercise price of \$0.10 and an expiry date of 31 May 2012. Upon exercise of a primary option, a primary option converts into a fully paid ordinary share and the holder will be automatically granted a secondary option for no cash consideration.</p> <p>Each secondary option has an exercise price of \$0.15 and an expiry date of 31 May 2015. Upon exercise of a secondary option, a secondary option converts into a fully paid ordinary share.</p>
<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes</p>
<p>5 Issue price or consideration</p>	<p>\$0.05 cash consideration per share and nil cash consideration for primary options and secondary options</p>

+ See chapter 19 for defined terms.

<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The purpose of the issue is to raise funds to be used as listed in section 3.1 of the Company's Prospectus dated 30 May 2007.</p>					
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>18 July 2007.</p>					
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="766 728 1069 772">Number</th> <th data-bbox="1069 728 1370 772">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="766 772 1069 1523"> <p>74,323,645 (excluding up to 30,000,000 shares which may be issued under the Top Up Issue and up to a further 33,500,000 shares which may be issued under the Placement)</p> <p>16,891,737 (excluding up to 15,000,000 primary options which may be issued under the Top Up Issue and up to a further 16,750,000 options which may be issued under the Placement)</p> </td> <td data-bbox="1069 772 1370 1523"> <p>ordinary shares</p> <p>options</p> </td> </tr> </tbody> </table>	Number	+Class	<p>74,323,645 (excluding up to 30,000,000 shares which may be issued under the Top Up Issue and up to a further 33,500,000 shares which may be issued under the Placement)</p> <p>16,891,737 (excluding up to 15,000,000 primary options which may be issued under the Top Up Issue and up to a further 16,750,000 options which may be issued under the Placement)</p>	<p>ordinary shares</p> <p>options</p>	
Number	+Class					
<p>74,323,645 (excluding up to 30,000,000 shares which may be issued under the Top Up Issue and up to a further 33,500,000 shares which may be issued under the Placement)</p> <p>16,891,737 (excluding up to 15,000,000 primary options which may be issued under the Top Up Issue and up to a further 16,750,000 options which may be issued under the Placement)</p>	<p>ordinary shares</p> <p>options</p>					
<p>9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="766 1556 1069 1601">Number</th> <th data-bbox="1069 1556 1370 1601">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="766 1601 1069 1780"> <p>NIL</p> </td> <td data-bbox="1069 1601 1370 1780"></td> </tr> </tbody> </table>	Number	+Class	<p>NIL</p>		
Number	+Class					
<p>NIL</p>						
<p>10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)</p>	<p>None</p>					

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Non-renounceable
13	Ratio in which the +securities will be offered	Each existing shareholder will be entitled to subscribe for up to 5 Shares for each 6 shares that shareholder holds at the record date.
14	+Class of +securities to which the offer relates	Ordinary shares
15	+Record date to determine entitlements	8 June 2007
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No
17	Policy for deciding entitlements in relation to fractions	Fractional entitlements to shares and primary options will be disregarded.
18	Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	Belgium British Virgin Islands Canada Channel Islands Egypt Great Britain Hong Kong Indonesia Ireland Japan Malaysia New Zealand Qatar South Africa Switzerland Taiwan U.S.A. United Arab Emirates Vanuatu
19	Closing date for receipt of acceptances or renunciations	10 July 2007
20	Names of any underwriters	Not applicable
21	Amount of any underwriting fee or commission	Not applicable

+ See chapter 19 for defined terms.

22	Names of any brokers to the issue	Not applicable
23	Fee or commission payable to the broker to the issue	Not applicable
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺ security holders	Not applicable
25	If the issue is contingent on ⁺ security holders' approval, the date of the meeting	Not applicable
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	13 June 2007
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	30 May 2007
28	Date rights trading will begin (if applicable)	Not applicable
29	Date rights trading will end (if applicable)	Not applicable
30	How do ⁺ security holders sell their entitlements <i>in full</i> through a broker?	Not applicable
31	How do ⁺ security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Not applicable
32	How do ⁺ security holders dispose of their entitlements (except by sale through a broker)?	Not applicable
33	⁺ Despatch date	18 July 2007

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

(If the additional securities do not form a new class, go to 43)

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought	Not applicable	
39	Class of +securities for which quotation is sought	Not applicable	
40	<p>Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	Not applicable	
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another security, clearly identify that other security)</p>	Not applicable	
42	Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 38)	Number	+Class
		Not applicable	Not applicable

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

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Name of entity

Magnesium International Limited

ABN

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We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|--|
| 1 | +Class of +securities issued or to be issued | Ordinary Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | Maximum number of ordinary fully paid shares which may issued: 30,000,000

Maximum number of primary options which may be issued: 15,000,000 |

<p>3 Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)</p>	<p>This Appendix 3B is in relation to the Top Up Issue as detailed in the Prospectus of the Company dated 30 May 2007. Refer to the separate Appendix 3B forms dated 30 May 2007 in relation to:</p> <p>(a) the Entitlements Issue; and (b) the Placement.</p> <p>Fully paid ordinary shares with one primary option for nil cash consideration for every 2 shares issued and allotted.</p> <p>Each primary option has an exercise price of \$0.10 and an expiry date of 31 May 2012. Upon exercise of a primary option, a primary option converts into a fully paid ordinary share and the holder will be automatically granted a secondary option for no cash consideration.</p> <p>Each secondary option has an exercise price of \$0.15 and an expiry date of 31 May 2015. Upon exercise of a secondary option, a secondary option converts into a fully paid ordinary share.</p>
<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes</p>
<p>5 Issue price or consideration</p>	<p>\$0.05 cash consideration per share and nil cash consideration for the primary options and secondary options</p>

+ See chapter 19 for defined terms.

6 Purpose of the issue
(If issued as consideration for the acquisition of assets, clearly identify those assets)

The purpose of the issue is to raise funds to be used as listed in section 3.1 of the Company's Prospectus dated 30 May 2007 and to give existing shareholders an opportunity to raise their shareholding up to at least a marketable parcel.

7 Dates of entering +securities into uncertificated holdings or despatch of certificates

18 July 2007

	Number	+Class
8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)	70,540,170 (excluding up to 33,783,475 shares which may be issued under the Entitlements Issue and a further 33,500,000 shares which may be issued under the Placement)	ordinary shares
	17,240,200 (excluding up to 16,891,737 options which may be issued under the Entitlements Issue and a further 16,750,000 options which may be issued under the Placement)	options

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	NIL	

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

None

Part 2 - Bonus issue or pro rata issue

- | | | |
|----|---|--|
| 11 | Is security holder approval required? | Yes |
| 12 | Is the issue renounceable or non-renounceable? | Not applicable |
| 13 | Ratio in which the +securities will be offered | Not applicable |
| 14 | +Class of +securities to which the offer relates | Ordinary shares |
| 15 | +Record date to determine entitlements | 8 June 2007 |
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? | No |
| 17 | Policy for deciding entitlements in relation to fractions | Not applicable |
| 18 | Names of countries in which the entity has +security holders who will not be sent new issue documents

Note: Security holders must be told how their entitlements are to be dealt with.

Cross reference: rule 7.7. | Belgium
British Virgin Islands
Canada
Channel Islands
Egypt
Great Britain
Hong Kong
Indonesia
Ireland
Japan
Malaysia
New Zealand
Qatar
South Africa
Switzerland
Taiwan
U.S.A.
United Arab Emirates
Vanuatu |
| 19 | Closing date for receipt of acceptances or renunciations | 8 June 2007 |

+ See chapter 19 for defined terms.

20	Names of any underwriters	Not applicable
21	Amount of any underwriting fee or commission	Not applicable
22	Names of any brokers to the issue	Not applicable
23	Fee or commission payable to the broker to the issue	Not applicable
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺ security holders	Not applicable
25	If the issue is contingent on ⁺ security holders' approval, the date of the meeting	13 July 2007
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	13 June 2007
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	30 May 2007
28	Date rights trading will begin (if applicable)	Not applicable
29	Date rights trading will end (if applicable)	Not applicable
30	How do ⁺ security holders sell their entitlements <i>in full</i> through a broker?	Not applicable
31	How do ⁺ security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Not applicable
32	How do ⁺ security holders dispose of their entitlements (except by sale through a broker)?	Not applicable
33	⁺ Despatch date	18 July 2007

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

(If the additional securities do not form a new class, go to 43)

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought	Not applicable	
39	Class of +securities for which quotation is sought	Not applicable	
40	<p>Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	Not applicable	
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another security, clearly identify that other security)</p>	Not applicable	
42	Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 38)	Number	+Class
		Not applicable	Not applicable

Appendix 3B

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Magnesium International Limited

ABN

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We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|--|
| 1 | +Class of +securities issued or to be issued | Ordinary Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | Maximum number of ordinary fully paid shares which may issued: 33,500,000

Maximum number of primary options which may be issued: 16,750,000 |

<p>3 Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)</p>	<p>This Appendix 3B is in relation to the Placement as detailed in the Prospectus of the Company dated 30 May 2007. Refer to the separate Appendix 3B forms dated 30 May 2007 in relation to:</p> <p>(a) the Entitlements Issue; and (b) the Top Up Issue.</p> <p>Fully paid ordinary shares with one primary option for nil cash consideration for every 2 shares issued and allotted.</p> <p>Each primary option has an exercise price of \$0.10 and an expiry date of 31 May 2012. Upon exercise of a primary option, a primary option converts into a fully paid ordinary share and the holder will be automatically granted a secondary option for no cash consideration.</p> <p>Each secondary option has an exercise price of \$0.15 and an expiry date of 31 May 2015. Upon exercise of a secondary option, a secondary option converts into a fully paid ordinary share.</p>
<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes</p>
<p>5 Issue price or consideration</p>	<p>\$0.05 cash consideration per share and nil cash consideration for the primary options and secondary options</p>

+ See chapter 19 for defined terms.

6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	The purpose of the issue is to raise funds to be used as listed in section 3.1 of the Company's Prospectus dated 30 May 2007.
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7	Dates of entering +securities into uncertificated holdings or despatch of certificates	18 July 2007
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	Number	+Class				
8	Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)	<table border="1" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> 74,040,170 (excluding up to 33,783,475 shares which may be issued under the Entitlements Issue and a further 30,000,000 shares which may be issued under the Top Up Issue) </td> <td style="width: 50%; vertical-align: top;">ordinary shares</td> </tr> <tr> <td style="width: 50%; vertical-align: top;"> 18,990,200 (excluding up to 16,891,737 options which may be issued under the Entitlements Issue and a further 15,000,000 options which may be issued under the Top Up Issue) </td> <td style="width: 50%; vertical-align: top;">options</td> </tr> </table>	74,040,170 (excluding up to 33,783,475 shares which may be issued under the Entitlements Issue and a further 30,000,000 shares which may be issued under the Top Up Issue)	ordinary shares	18,990,200 (excluding up to 16,891,737 options which may be issued under the Entitlements Issue and a further 15,000,000 options which may be issued under the Top Up Issue)	options
74,040,170 (excluding up to 33,783,475 shares which may be issued under the Entitlements Issue and a further 30,000,000 shares which may be issued under the Top Up Issue)	ordinary shares					
18,990,200 (excluding up to 16,891,737 options which may be issued under the Entitlements Issue and a further 15,000,000 options which may be issued under the Top Up Issue)	options					

	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	NIL

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required?

12 Is the issue renounceable or non-renounceable?

13 Ratio in which the +securities will be offered

14 +Class of +securities to which the offer relates

15 +Record date to determine entitlements

16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?

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18 Names of countries in which the entity has +security holders who will not be sent new issue documents
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Cross reference: rule 7.7.

19 Closing date for receipt of acceptances or renunciations

20 Names of any underwriters

21 Amount of any underwriting fee or commission

22 Names of any brokers to the issue

23 Fee or commission payable to the broker to the issue

+ See chapter 19 for defined terms.

24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	Not applicable
25	If the issue is contingent on +security holders' approval, the date of the meeting	Not Applicable
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	Not Applicable
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	Not Applicable
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29	Date rights trading will end (if applicable)	Not applicable
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	Not applicable
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Not applicable
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	Not applicable
33	+Despatch date	Not Applicable

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

(If the additional securities do not form a new class, go to 43)

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- 35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional +securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought	Not applicable	
39	Class of +securities for which quotation is sought	Not applicable	
40	<p>Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	Not applicable	
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another security, clearly identify that other security)</p>	Not applicable	
42	Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 38)	Number	+Class
		Not applicable	Not applicable

